



Department of Justice

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PHILADELPHIA STAMP DEALER AND ONE OF ITS EXECUTIVES **CHARGED WITH RIGGING AUCTIONS**

WASHINGTON, D.C.— A Philadelphia stamp dealer and one of its executives were charged today with rigging bids at stamp auctions held in the United States and elsewhere, the Department of Justice announced.

In a two-count felony case, filed in U.S. District Court in Manhattan, Earl P.L. Apfelbaum Inc. and its Executive Vice President, John Apfelbaum, were charged with conspiring with unnamed co-conspirators to submit collusive, noncompetitive, and rigged bids at stamp auctions. The Department said the conspiracy took place from the early 1980s until at least 1997 and for several months again in 1999.

Auction houses located throughout the U.S. and Europe hold periodic auctions for stamp lots. During the period covered in this case, approximately \$20 million in stamps were sold at public auctions at which Apfelbaum and co-conspirators rigged the prices bid.

According to the charges, Earl P.L. Apfelbaum Inc., John Apfelbaum, and their co-conspirators carried out the bid-rigging schemes by participating in pre-auctions to determine which stamp dealer would be the bidder for specific lots of stamps at the subsequent public auction; by agreeing not to bid at public auctions against other stamp dealers who submitted the highest bid price at the pre-auction; and by making payments to stamp dealers who agreed not to bid at public auctions when they were not the high bidder at the pre-auction.

“By rigging the bids of auctioned stamp lots, stamp dealers eliminated competition and, thus, the right of collectors to obtain stamps at fair and competitive prices,” said James M. Griffin, Deputy Assistant Attorney General in charge of the Antitrust Division’s Criminal Enforcement Program.

Earl P.L. Apfelbaum Inc. and John Apfelbaum are charged with violating Section One of the Sherman Act which carries, per count, a maximum fine of \$10 million for a corporation and a maximum penalty of three years imprisonment and a maximum fine of \$350,000 for an individual. The fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

The ongoing investigation is being conducted by the Antitrust Division’s New York Office and the New York office of the Federal Bureau of Investigation.

Anyone with information concerning bid rigging at stamp auctions should contact the New York Office of the Antitrust Division at (212) 264-0383.

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